



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Magic Valley Labor Market Area (LMA) was 3.8 percent in June 2003. This was two-tenths of a percentage point higher than May 2003 and three-tenths of a percentage point lower than June 2002. June year-over-year numbers in *Civilian Labor Force* showed that there were 3,040 more area workers in 2003 than in 2002. This was a 6.1 percent increase over the year. The number unemployed dropped a modest 30 workers from June 2002 to June 2003.

Nonfarm Payroll Jobs continued the strong year-over-year growth trend with a 3.3 percent increase. This translated into 1,300 more *Nonfarm Payroll Jobs* than one year ago. Industrial sectors that had significant increases from June 2002 were: *Construction*, *Manufacturing*, and *Educational & Health Services* with increases of 17.0 percent, 12.7 percent, and 21.3 percent, respectively. *Food Manufacturing* had an overall yearly increase of 14.7 percent. This seems to be high given the problems in the potato processing industry elsewhere in South Central Idaho; however, the Magic Valley LMA consists of Gooding, Jerome, and Twin Falls Counties. Food processors of all types in this area have either been stable or experienced growth. *Retail Trade* growth has been slow and was only up 0.3 percent from June 2002 to June 2003. Although there were several new retail jobs created, there is still a lot of consumer as well as employer caution that has somewhat offset potential growth. Many retailers have chosen to expand workers' hours rather than add new workers. Also, some retailers are using temporary workers. (Temporary workers are counted in the *Professional & Business Services* sector, which shows a decrease from June 2002.) Sectors that have shown significant year-over-year decreases were: *Natural Resources & Mining*, *Utilities*, and *Government Education* with drops of 25.0 percent, 18.2 percent, and 6.5 percent, respectively. *Natural Re-*

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	June 2003*	May 2003	June 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	53,160	53,760	50,120	-1.1	6.1
Unemployment	2,000	1,920	2,030	4.2	-1.5
% of Labor Force Unemployed	3.8	3.6	4.1		
Total Employment	51,160	51,840	48,090	-1.3	6.4
Unadjusted					
Civilian Labor Force	53,830	53,990	51,030	-0.3	5.5
Unemployment	1,840	1,800	1,900	2.2	-3.2
% of Labor Force Unemployed	3.4	3.3	3.7		
Total Employment	51,990	52,190	49,130	-0.4	5.8
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	41,230	41,320	39,930	-0.2	3.3
Goods-Providing Industries	8,100	7,760	7,120	4.4	13.8
Natural Resources & Mining	30	30	40	0.0	-25.0
Construction	2,410	2,170	2,060	11.1	17.0
Manufacturing	5,660	5,560	5,020	1.8	12.7
Food Manufacturing	3,590	3,550	3,130	1.1	14.7
Other Manufacturing	2,070	2,010	1,890	3.0	9.5
Service-Providing Industries	33,130	33,560	32,810	-1.3	1.0
Trade, Transportation & Utilities	9,900	9,940	9,810	-0.4	0.9
Wholesale Trade	1,810	1,850	1,820	-2.2	-0.5
Retail Trade	5,890	5,870	5,870	0.3	0.3
Utilities	180	180	220	0.0	-18.2
Transportation & Warehousing	2,020	2,040	1,900	-1.0	6.3
Information	520	490	510	6.1	2.0
Financial Activities	1,700	1,710	1,670	-0.6	1.8
Professional & Business Services	4,990	5,130	5,050	-2.7	-1.2
Educational & Health Services	3,650	3,560	3,010	2.5	21.3
Leisure & Hospitality	3,520	3,640	3,620	-3.3	-2.8
Other Services	1,430	1,430	1,430	0.0	0.0
Government Education	3,330	3,520	3,560	-5.4	-6.5
Government Administration	4,090	4,140	4,150	-1.2	-1.4

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

sources & Mining has long been a stagnant or declining industry and the changes there are a result of attrition. The decrease in *Government Education* was expected and was caused by a combination of jobs lost through attrition due to state and local budgetary constraints, and the natural termination of part-time workers as the school term expired.

The overall South Central Idaho economy continues to be strong in the western Magic Valley. New housing starts in Twin Falls and the construction of new businesses has been the major factor in stimulating construction job growth. The outlook for retail continues to be a mixed bag. However, the area has two new retailers—Best Buy and Sportsmen's Warehouse—that will provide 120-150 new full- and part-time retail jobs beginning in late July and early August.

Moore North American, a business forms printing company in Jerome, has begun laying off its 108 employees as the plant closes. The Mini-Cassia

outlook continues to be relatively bleak. A new wave of layoffs from McCain Food and J.R. Simplot Company's Heyburn potato processing plant has displaced approximately 220 more workers either permanently or indefinitely. Retail hiring has been flat or slightly down. Agricultural hiring appears to be about normal. The Mini-Cassia economy has performed better than expected because it seems local residents have been making strong efforts to keep local dollars in the economy by patronizing local businesses.

The Blaine County economy continues to hold its own. Tourism this winter was off somewhat, but early summer numbers look good. One factor that could cause problems for the summer not only in South Central Idaho, but also across the state, is the extremely high fire danger and the hot, dry weather in July. This could keep tourists out of the forests, especially if the Forest Service closes campgrounds due to fire danger.

The overall state of agriculture in South Central Idaho appears to be normal. Extreme heat has caused farmers to use a lot of irrigation water the last few weeks and reservoir levels are beginning to show stress. There is virtually no ground moisture and there is some concern about aquifer levels. South Central Idaho has followed the Idaho trend in potato planting. The Department of Agriculture reported that Idaho potato growers slashed acreage statewide 4 percent. This is the second lowest potato acreage reported in the last 14 years. Hopefully, this will stabilize and result in an increase in potato prices. Other crop commodity prices seem to be about average.

The numbers for the first six months of 2003 have been better than expected. Western Magic Valley has led the state in job growth throughout 2003 and the unemployment rate has remained one of the lowest in Idaho.

AREA DEVELOPMENTS

Twin Falls County

- The City of Twin Falls set an all-time monthly record for new housing permits in June 2003 with 53 new housing permits. So far in 2003, the pace is already 27 percent ahead of last year's record pace. The combination of extremely low interest rates, population in-migration, low unemployment, and new job creation has helped trigger this large increase in new housing. This has been a significant contributing factor to the strong increase in construction job numbers.
- The 15-year old Lynwood Market, located in the Lynwood Shopping Center in Twin Falls, is relocating and downsizing its operation. The store will relocate to the former Homestead Arts and Crafts Store. The new space is about 18,000-square feet smaller. The owners found it easier and cheaper to remodel the smaller store and downsize the busi-

ness than to undertake any changes at the existing store. They will market about 5,000 of their best selling items. The store employs about 20 full- and part-time workers and, while the work force might contract due to attrition, the company plans no major layoffs.

Blaine, Camas, Gooding, Jerome, and Lincoln Counties

- Allen & Co., a New-York based investment bank, held its 21st Annual Sun Valley Conference this year. The conference occurs in July and for a week Sun Valley becomes a media focus as many different business and entertainment leaders convene to rest, relax, and discuss business, economic, and geopolitical strategy. In past years many large and far-reaching deals have been made at the conference. Such business giants as Bill Gates of Microsoft and Michael Eisner of Disney attend the meeting, along with politicians and celebrities. The conference was termed a success this year and plans are in the works for the 22nd meeting in 2004.

Cassia and Minidoka Counties

- The Idaho Boat Regatta took place in Burley recently and was termed a huge success. The regatta brings some of the best boat racers in the world to compete on the Snake River. Thousands of people attend the regatta every year bringing a much-needed economic boost to the Mini-Cassia area, and the many family-oriented activities make the regatta a popular event.
- McCain Food and the J.R. Simplot Company's Heyburn potato processing plant completed a round of layoffs in July. J.R. Simplot Company permanently displaced an additional 52 workers as it starts to wind down to its final closure of the plant in April 2004. McCain Food laid off 105 workers indefinitely in a move driven by high inventory and falling demand in the processed potato market. The company forecasts that 125 workers would be laid off, however, fewer workers were initially laid off due to necessary vacation coverage. The company has said that it does not expect the layoffs to be permanent, but has given no indication as to the duration of this initial displacement. This brings the total of laid off workers in the area's potato processing sector to over 400.

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